

Message Text

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PAGE 01 OSLO 04216 141232Z

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ACTION A-01

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FM AMEMBASSY OSLO

TO SECSTATE WASHDC PRIORITY 8719

UNCLAS OSLO 4216

FOR ASST. SECRETARY FOR ADMINISTRATION JOHN THOMAS

E.O. 11652: N/A

TAGS: ALLOW NO

SUBJ: REPRESENTATION FUNDS

REF: LETTER OF AUGUST 23, 1974

1. I AM SORRY THAT OUR SUBMISSION TO SUPPORT YOUR VERY IMPORTANT APPROACH TO CONGRESS ON REPRESENTATION FUNDS WAS DELAYED BY MY ABSENCE ON LEAVE. WHILE I WILL BE WRITING YOU, WE HOPE THAT YOU WILL FIND THE INFORMATION IN THIS MESSAGE USEFUL FOR YOUR PURPOSES.

2. WE REPORTED THAT OFFICERS AT THIS POST WERE \$2467 OUT OF POCKET FOR OFFICIAL REPRESENTATION ACTIVITIES IN FY74. WE HAVE REVIEWED OUR FIGURES AND WHAT HAS BEEN THE NATURE OF OUR ACTIVITIES. I WOULD HAVE HAD NO DIFFICULTY JUSTIFYING A SOMEWHAT HIGHER FIGURE INVOLVING SMALL LUNCHEONS OF TWO OR SO OFFICERS WHICH WERE SIMPLY NOT REPORTED AT THE TIME.

3. AS YOU INDICATE, ALL POSTS GET INVOLVED IN CONSIDERABLE ENTERTAINMENT OF BOTH VISITING AMERICANS AND THE STAFF, WHICH IS NOT OFFICIALLY REIMBURSEABLE SINCE NO FOREIGNERS, OR NONE OF PROFESSIONAL IMPORTANCE TO THE EMBASSY ARE PRESENT. FOR EXAMPLE, THERE HAVE BEEN VARIOUS STAFF FUNCTIONS E.G. TWO RETIREMENT CEREMONIES FOR VERY SENIOR LOCALS, DCM 4 OF JULY PARTY FOR THE STAFF AND CHILDREN--WHICH ARE NOT REQUIRED BUT ESSENTIALLY ELEMENTS IN PROMOTING GOOD MORALE AT POST. CHECKING WITH THE STAFF, IT IS OUR ESTIMATE THAT THE POST AS A WHOLE WAS OUT SOME \$2700 IN EXPENSES FOR UNREIMBURSABLE ACTIVITIES, AS FOLLOWS: AMBASSADOR-\$1,000;
UNCLASSIFIED

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PAGE 02 OSLO 04216 141232Z

DCM-\$600; POLITICAL SECTION-\$550; ECONOMIC/COMMERCIAL SECTION-

\$250; OTHER EMBASSY STAFF(ADMIN, CONSULAR ETC.)-\$300. TOTAL OUT-OF-POCKET EXPENSES FOR OSLO LAST FISCAL YEAR WAS, THEREFORE, IN THE REGION OF \$5,500. THE ABOVEFIGURE IN MY CASE DID NOT INCLUDE THE DAILY HOUSEHOLD EXPENSES FOR OFFICIAL HOUSE GUESTS.

4. OUR RELATIONS WITH NORWAY ARE EMERGING FROM UNDER THE CLOUD OF VIETNAM AND WATERGATE, AND THE OPPORTUNITIES AND NEED FOR INCREASED REPRESENTATIONAL ACTIVITIES HAVE CORRESPONDINGLY INCREASED. IN ADDITION, OUR TWO COUNTRIES WILL BE CELEBRATING IN 1975 THE 150TH ANNIVERSARY OF NORWEGIAN EMIGRATION TO THE UNITED STATES, AND IN 1976, THERE WILL ALSO BE SIGNIFICANT INCREASED REQUIREMENTS FOR REPRESENTATION CCNNECTED WITH OUR OWN BICENTENNIAL CELEBRATIONS. A SURVEY OF THE VARIOUS SECTIONS INDICATES THAT THE EMBASSY COULD USE EFFECTIVELY AN ADDITIONAL \$6810 TO COVER THESE ANTICIPATED INCREASED REPRESENTATIONAL RESPONSIBILITIES, BROKEN OUT AS FOLLOWS: POLITICAL SECTION-\$1200 (\$150 APIECE FOR EXPANDED CONTACTS WITH FOREIGN AND DEFENSE MINISTRIES AND ENVIRONMENT-SCIENCE FIELD; \$100 FOR INTERNATIONAL AFFAIRS INSTITUTE, \$250 FOR PARLIAMENT; \$400 FOR YOUTH PROGRAM); ECONOMIC SECTION-\$2,000 (\$700 FOR TRADE PROMOTION; \$800 FOR COMMERCIAL POLICY PROMOTION; \$300 FOR NON-COMMERCIAL USE E.G., LAW OF THE SEA, DEVELOPMENT AID ETC; \$200 FOR ADDITIONAL OFFICER NOW ASSIGNED TO SECTION); CONSULAR SECTION-\$300 (TRAVEL PROMOTION, DRUG PROGRAM); ADMINISTRATIVE SECTION-\$100 (IN ANTICIPATION OF ASSIGNMENT OF ADDITIONAL OFFICER, APPROVED IN PRINCIPLE). IT SHOULD BE EMPHASIZED THE ABOVE FIGURES ARE FOR ANTICIPATED INCREASED REPRESENTATIONAL NEEDS ABOVE THE MONIES WHICH SECTIONS WOULD EXPECT TO RECEIVE BASED ON LAST FISCAL YEAR'S ALLOCATIONS.

5. USIS IS EXPECTING SUBSTANTIALLY INCREASED REPRESENTATIONAL DEMANDS IN CONNECTION WITH THE 150TH ANNIVERSARY OF NORWEGIAN EMIGRATION AND THE 1976 BICENTENNIAL. IT ESTIMATES IT WILL NEED \$1500 FOR EACH ACTIVITY OR A TOTAL OF \$3000 ADDITIONAL FUNDS.

6. THE RISE IN THE CONSUMER PRICE INDEX AND THE EFFECTS OF THE DOLLAR DEVALUATION HAVE CRIPPLED OUR REPRESENTATION BUDGET, AS A COMPARISON WITH FY 1971 AS BASE YEAR WILL DEMONSTRATE. IN FY 71 WE RECEIVED \$7500 AS OUR BASIC ALLOTMENT. LAST YEAR WE RECEIVED \$7000; AN ADDITIONAL \$2200 IN FY 74 RAISED THE ALLOCATION TO \$9200.

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PAGE 03 OSLO 04216 141232Z

THIS INCREASE SERVED SIMPLY TO OFFSET THE 21.76 PERCENT LOSS IN PURCHASING POWER DUE TO DOLLAR DEVALUATION AND DEPRECIATION SINCE 1971. IT DID NOT COMPENSATE, HOWEVER, FOR THE LOSS IN PURCHASING POWER SINCE 1971 DUE TO THE 23 PERCENT RISE IN THE COST OF FOOD AND THE 39 PERCENT RISE IN THE COST OF WAGES FOR STAFF FOR FORMAL ENTERTAINMENT. THE CONSUMER PRICE INDEX IS EXPECTED TO CLIMB ANOTHER 24-25 PERCENT OVER THE NEXT THREE YEARS, FURTHER REDUCING THE BUYING POWER OF OUR REPRESENTATIONAL FUNDS. IF IN THE

FUTURE WE WERE TO RECEIVE ONLY THE SAME BASIC ALLOTMENT AS LAST YEAR, I.E. \$7000 AND NO COMPENSATING INCREASES, THE PURCHASING POWER OF OUR REPRESENTATION FUNDS WOULD DROP OVER THE NEXT THREE YEARS BY ABOUT SEVENTY-THREE PERCENT COMPARED TO 1971.

7. TO SUM UP, IF THIS POST WERE PROVIDED WITH SUFFICIENT REPRESENTATION FUNDS THIS FISCAL YEAR TO COVER WHAT WE WERE ABLE TO ACCOMPLISH LAST YEAR, OUT-OF-POCKET EXPENSES FOR REIMBURSABLE AND UNREIMBURSABLE OFFICIALS ACTIVITIES LAST YEAR, ANTICIPATED EXPANDED ACTIVITIES AND ANTICIPATED LOSS OF PURCHASING POWER DUE TO INFLATION-- WE WOULD NEED ALMOST THREE TIMES OUR PRESENT BASIC ALLOTMENT OR CLOSE TO \$21,000.

BYRNE

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